

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6014**

**BILL NUMBER:** HB 1192

**NOTE PREPARED:** Mar 13, 2007

**BILL AMENDED:** Mar 12, 2007

**SUBJECT:** Notice of Underground Storage Tank Releases.

**FIRST AUTHOR:** Rep. Ulmer

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) *Notice of Underground Storage Tank (UST) Release:* This bill requires the Department of Environmental Management (IDEM) to provide notice of a release, spill, or an overflow of a UST system to the county health officer of each county in which the release, spill, or overflow occurred. It requires a county health officer that receives notice from IDEM to (1) publish notice of the release, spill, or overflow in a newspaper of general circulation in the county health officer's county; and (2) provide any other notice of the release, spill, or overflow the county health officer considers necessary or appropriate.

*Underground Storage Tanks:* With respect to the prohibition against installation of certain USTs before the effective date of certain rules, the bill adds to the criteria for exception from the prohibition the requirement that all newly installed or replaced piping connected to the tank meets the secondary containment requirements adopted by the Solid Waste Management Board. With respect to USTs that contain alcohol blended fuels composed of greater than 15% alcohol, the bill excepts the USTs from that prohibition if they meet certain standards; and provides that the USTs are subject to certain release response and detection requirements. The bill also adds effective date provisions. It adjusts limitations on payments from the Excess Liability Trust Fund (ELTF).

**Effective Date:** (Amended) Upon passage; July 1, 2007.

**Explanation of State Expenditures:** *Notice of UST Release:* The bill requires IDEM to notify local health departments if IDEM becomes aware of a release from a UST. IDEM should be able to accomplish this task given its existing level of resources.

*Background*--This bill applies to UST systems regulated by IDEM, which include a tank and its related piping and are used to hold petroleum products or other hazardous substances. According to IDEM, as of August 30, 2006, the Leaking Underground Storage Tank Program has received 8,461 release reports and closed 5,484 sites (61%) since the program was initiated in 1986. The program has received approximately 210 release reports per year since FY 2001 and closed between 500 and 600 sites in FY 2007. Roughly 500 owners of sites in violation are unable to pay for cleanup.

(Revised) *ELTF*: IC 13-23-8 provides that IDEM must use money in ELTF to pay certain costs involved with corrective action taken to eliminate or mitigate a release from a petroleum UST.

The bill provides that if a petroleum UST that is involved in a claim is in compliance, has no double wall with piping that has secondary containment, the deductible that claims must exceed before seeking reimbursement from ELTF is reduced from \$30,000 to \$25,000.

If the petroleum UST involved in the occurrence for which claims are made is in compliance before required, has a double wall with piping that does not have secondary containment, the amount of the deductible is \$25,000. Under existing statute, this category is not covered.

If the UST has a double wall with secondary containment, the deductible is reduced from \$25,000 to \$20,000.

The above provisions will likely increase expenditures from ELTF. The number and nature of future claims is indeterminable. As of February 15, 2007, ELTF had a free balance of \$64,000.

#### **Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Notice of UST Release:* The bill provides that a county health officer that receives notice of a release from IDEM must publish notice of the release, spill, or overfill in a newspaper of general circulation in the county and provide any other notice the county health officer considers necessary or appropriate. These provisions will increase expenditures for the county health department; however, it is anticipated that counties will be able to cover any additional costs involved.

#### **Explanation of Local Revenues:**

**State Agencies Affected:** IDEM.

**Local Agencies Affected:** County health departments.

**Information Sources:** Bruce Palin, Assistant Commissioner, IDEM.

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